



COMDTINST 5381.2

13 SEP 1990

COMMANDANT INSTRUCTION 5381.2

Subj: Policy On Coast Guard Support Of Credit Unions

Ref: (a) Federal Credit Union Act, 12 U.S.C. Sec. 1751, et. seq. (NOTAL)

1. PURPOSE. This Instruction sets forth Coast Guard policy concerning support of credit unions and publishes guidelines to govern the nature of their relationship with Coast Guard commands. This Instruction provides guidance on the level of logistic and administrative support to be provided by Coast Guard commands.
2. DEFINITIONS.
  - a. Credit Union. A cooperative association organized in accordance with the provisions of either reference (a) or applicable State law for the purpose of promoting thrift among its members and creating a source of credit for provident or productive purposes.
  - b. Federal Credit Union. As used in this Instruction, means a credit union incorporated under reference (a).
3. BACKGROUND. Reference (a) confers upon Federal credit unions the status of legal entities having specific powers and restrictions, and subjects them to examination by the National Credit Union Administration. Credit union membership is limited by law to groups having a common bond of occupation, association, or residence. Federal credit unions are private organizations not under the control of the Coast Guard. Credit unions are expected to comply with the requirements of any applicable State or local laws governing their operation.

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4. RECOGNITION AND ASSISTANCE TO CREDIT UNIONS. Credit unions which are organized by and for Coast Guard employees shall be recognized and assisted at all levels as important morale and welfare resources. As cooperative associations, credit unions function for the mutual benefit and self-help of their members, and improve a unit's morale and welfare by:
  - a. Promoting habits of thrift through saving;
  - b. Granting loans for appropriate purposes at reasonable rates of interest, minimizing the need for personnel to patronize lenders charging excessive interest rates; and
  - c. Extending to members financial counseling on personal and family financial planning problems, and the true costs of installment buying, contracts, and related matters.
5. CREDIT UNION OPERATIONS WITHIN THE COAST GUARD. Credit unions organized by and for Coast Guard personnel may be assisted with property and logistic support as indicated in paragraphs 7 and 8 below, provided that their operating policies are consistent with the following:
  - a. Membership. The credit union must permit membership by all qualified military and civilian personnel without discrimination on the basis of grade, rank, age, race, sex, duty assignment, or any other prohibited basis.
  - b. Lending. Insofar as may be consistent with established credit union practices, lending policies should be as liberal as possible while preserving the financial integrity of the credit union. Lending policies should assist youthful members in the lower pay grades who wish to secure loans for appropriate purposes. However, care must be taken to avoid saddling those members having limited incomes with debt that will be difficult to repay.
  - c. Counselling. Skilled counselling services should be made available without charge to Coast Guard credit union members. The credit union should strive particularly to counsel youthful, inexperienced members and young families who are endeavoring to solve financial problems or develop household budgets.
  - d. Savings. Members should be encouraged to participate in a regular savings plan. Credit unions may, however, impose reasonable limitations on amounts accepted for deposit at any one time or held in shares. Members who deposit savings or invest in shares should be able to expect a reasonable dividend or return on savings.

5. e. Command Relationships.

- (1) Coast Guard commands shall extend reasonable cooperation (such as posting credit union information on bulletin boards and counselling members who have defaulted on credit union obligations) and maintain a liaison with credit union serving assigned personnel and employees.
- (2) A credit union utilizing space provided by a Coast Guard command will be expected to cooperate with the unit commanding officer by keeping the command advised of the credit union operations, furnishing copies of the monthly financial reports and other credit union publications, and inviting the commanding officer or designee to attend periodic meetings of the credit union or other appropriate functions.
- (3) No provisions of this Instruction will be construed to authorize command control or supervision of credit union operations.

6. REPORTS OF UNSATISFACTORY SERVICE. Credit unions which demonstrate a policy of discrimination in providing loan services adversely impact on the welfare and morale of Coast Guard civilian and military employees. A continuing failure on the part of a particular credit union to allocate a fair proportion of its services to all grades and classes of personnel may be considered grounds to question whether that credit union is practicing discrimination. Valid complaints alleging violations of law or standards of service will be handled as follows:

- a. Commanding officers who suspect that a credit union established at their unit may be violating Federal credit union standards should report the matter in writing and in detail to the National Credit Union Administration.
- b. In cases where a tenant credit union is organized under State law, complaints alleging violation of State statutes of standards of operation shall be addressed to the appropriate State (or other) regulatory agency.

7. UTILIZATION OF REAL PROPERTY AND OTHER ASSISTANCE.

- a. Federal Buildings. Under Section 1770 of reference (a), credit unions may apply for office space to the officer of agency charged with discretionary allocation of spaces in a particular Federal building it:

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7. a. (1) The credit union is organized under either State law or the provisions of reference (a); and
- (2) At least 95 percent of the membership is composed of persons who are now, or were, at the time of admission into the credit union Federal employees or members of their families.

NOTE: Space allotted under this provision will be provided, if available, without charge for rent or services.

### b. Military Property.

- (1) Commanding officers of shore installations may provide suitable office space, if available, for the transaction of credit union business.
- (2) No charge should be made for space or normal services required to make the space usable. Normal services may include, but are not necessarily limited to lighting, heat, cooling, electricity, fixtures, routine maintenance (including janitorial services) and space alteration. Credit unions that occupy a separate building, either one they own, or one owned by the Government which is separately metered, may be charged utility costs to support that building.

### c. Other Assistance.

- (1) Typewriters, adding machines, data processing equipment, and office furniture or equipment may be loaned without charge to the credit union on memorandum receipt, if such equipment can be made available without impairing the operation of the Coast Guard activity. Necessary maintenance of loaned equipment will be at the expense of the credit union.
- (2) Other services, such as telephone service (including installation of lines and equipment, or other expenses associated with telephone service), may be provided on reimbursable basis.
- (3) Credit unions may also be provided access to Coast Guard storerooms and exchanges for the purchase of business supplies, subject to reimbursement by the credit union.

## 8. ADMINISTRATIVE AND PERSONNEL SUPPORT.

- a. Credit unions serving Coast Guard personnel shall be afforded advertising space in appropriate publications, the use of bulletin boards for promotional or informational purposes, and other appropriate facilities to further the aims of the organization.

8.
  - b. Transaction of credit union business during duty hours may be permitted provided that there is no interference with the performance of official duties.
  - c. Military personnel may serve as members and officials of credit union boards and committees. In connection with such service, personnel may participate in board/committee efforts to promote credit union membership or publish information concerning credit unions.
9. ADDITIONAL INFORMATION. Additional information may be obtained from the appropriate State credit union league or:
  - a. Credit Union National Association, Inc.  
1617 Sherman Avenue, Box 431  
Madison, WI 53701
  - b. National Credit Union Administration  
1776 G Street NW  
Suite 700  
Washington, DC 20456
10. ACTION. Area and district commanders, commanders of maintenance and logistics commands, Commander, Coast Guard Activities Europe, and unit commanding officers shall ensure the provisions in this Instruction are followed.

/s/

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Chief, Office of Personnel  
and Training